

May 27, 2003

Anil Gandhi  
Finance Director  
West Hollywood Community Development Commission  
8300 Santa Monica Blvd.  
West Hollywood, CA 90069

Re: West Hollywood Community Development Commission East Side Redevelopment  
Project 2003 Tax Allocation Bonds

Dear Anil:

On behalf of BNY Western Trust Company, we greatly appreciate the opportunity to work with the City as trustee on the above referenced transaction. Attached you will find our Fee Schedule, but please read on to discover more about the differences BNY Western Trust Company offers as your trustee or agent.

Evidence of commitment, in terms of both continuity and quality of service, should be a critical consideration in selecting your trustee or agent. At The Bank of New York and BNY Western Trust Company, our commitment to serving you is as solid as the institution itself. In 2002, 60% percent of The Bank of New York's total revenue was derived from securities processing services, which include services such as Municipal/Corporate Trust. As one of the primary businesses of the Bank, this sector receives senior management support and significant resource allocation.

**BNY Western Trust Company**, a California commercial bank and a subsidiary of The Bank of New York Company, Inc., is legally organized and qualified to conduct business in California and currently maintains capitalization levels in excess of \$200 million. Through our Los Angeles and San Francisco offices, we have remained committed to the California Public Finance market for over 20 continuous years, and administer over 6,000 bond issues, representing over \$65 billion in debt outstanding.

**A Difference through Our People and Service**

This relationship will be serviced locally by an administrative team of seasoned professionals from our Los Angeles office, led by your existing relationship manager, Mr. Greg Chenail. Greg will have complete knowledge of your bond issue, and serve as your contact from the document review and closing processes, through debt service and compliance duties involved in the on-going daily administration of our duties. What we essentially offer our issuers is a locally based, informed administrator who knows every detail of your account, supported by the commitment and systems of the leading provider of trustee services.

As a standard procedure upon closing a bond issue, each administrator is prepared to deliver a detailed account synoptic including all information relating to investments, debt service, compliance, and requisition payments, (as applicable) for use by the issuer and financing team. This synopsis is not only an aid for our clients, but our administrators as well, through reviewing the governing documents and establishing ticklers and procedures in the process.

### **A Difference Through Our Level of Experience**

As an experienced member of your financing team, we bring the qualifications you require to demonstrate, that you have assembled the finest professionals in their field, thereby making your financing both attractive and successful.

### **A Difference Through Our Available Technology**

Recognizing that our most frequent form of communication with our clients is through our monthly statements, we have continued to develop more informative and helpful solutions going beyond simply supplying information on paper. Ask us about **INFORM**, BNY Western Trust Company's vehicle allowing our clients internet access to review bond proceeds held with us as trustee.

### **A Difference at A Fair Price**

Attached you will find our complete fee schedule detailing all related fees and expenses associated with our appointment.

You will find that the ultimate success of your offering is as critical to the Bank as it is to you. Further, you will discover that the responsiveness and superior service that characterize our performance are the very strengths that have made BNY Western Trust Company a leading provider of securities services and a prime candidate for all your trustee and agency needs.

Should you have any questions regarding our proposal or attached fee schedule, please feel free to contact me at (213) 630-6456.

Very truly yours,

Frank P. Sulzberger  
Vice President

Cc: Rob Brown  
RR Brown & Co., LLP

**West Hollywood Community Development Commission  
East Side Redevelopment Project  
2003 Tax Allocation Bonds**

**TRUSTEE SERVICES FEE SCHEDULE**

**ACCEPTANCE FEE** **\$250.00**

This one time charge is payable at the time of the closing and includes the review and execution of the Trust Indenture and all documents submitted in support thereof, acceptance of the trust, and attendance by the administrator at the pre-closing and closing, if necessary. BNY Western Trust Company shall also bill for counsel fees capped at \$1,750.00.

**ANNUAL ADMINISTRATION FEE** **\$2,000.00**

This fee is paid in advance for said period, or any portion thereof that any Bonds are outstanding.

**INVESTMENT CHARGE/per transaction** **\$ 35.00**

Transaction fees include the settlement, upon purchase, sale or maturity of trust funds invested under the terms of the Trust Indenture or an Investment Agreement.

An investment charge of (37 Basis Points.) will be assessed on the average monthly balance by the Trustee for government money market (sweep) investments in lieu of the \$35.00 investment charge on a per transaction basis. The Trustee may also receive a service fee from the money market fund for administrative services that would otherwise be performed by the fund administrator.

**REQUISITION / DISBURSEMENT FEE (check or wire) /per transaction** **\$35.00**

**ANNUAL DISSEMINATION AGENT FEE** **\$200.00**

Charges for dissemination services by BNY Western Trust Company of materials prepared by the issuer.

**ANNUAL OUT-OF-POCKET EXPENSES** **6 % of Billed Fees**

Out-of-pocket expenses including, but not limited to, stationery, postage, telephone, and retention of records will be billed annually in an amount equal to 6 % of all fees billed for the year. Express mail, Federal Express and outside messenger services will be billed to the account at actual cost and are not covered by the 6 % expense charge.

**MISCELLANEOUS SERVICES**

Out-of-pocket expenses of administrator to attend closings or special meetings, outside counsel, accountants, special agents, etc. will be charged at the actual cost incurred. The charges for performing services not contemplated at the time of execution of the Trust Indenture or not specifically covered elsewhere in the Schedule will be commensurate with the service. These extraordinary services include, but are not limited to: supplemental agreements; consent operations; unusual releases or sinking fund redemptions; the preparation of special or interim reports which the Trustee must submit to security holders; custody of collateral which is diversified, voluminous in bulk or which involves the Trustee in more than the usual activity.

**TERMS OF PROPOSAL**

Final acceptance of the appointment as Trustee under the Trust Indenture is subject to the full review of all documentation related hereto and acceptance by our trust committee. Trustee fees and the estimated counsel fees may be increased if all documentation required for this financing is not in substantially good order, an inordinate number of drafts are required, or the closing is unduly delayed. Please note that if this transaction does not close, you will be responsible for paying any expenses incurred including counsel fees for this transaction. This offer may be deemed terminated by us if we do not enter into a written agreement within three months from the date of transmittal.

<b>TRUSTEE FEE SUMMARY</b>
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Fees due at Closing are as follows:

Acceptance Fee:	\$ 250.00
Legal Counsel Fee:	\$1,750.00
Annual Administration Fee:	<u>\$2,000.00</u>
Total Due at Closing:	\$4,000.00 (plus expenses)

*Please note the above anticipated fees due at closing include certain assumptions such as a fixed rate structure with no investment agreements. Should an investment agreement be entered into, an additional fee plus counsel expense will apply.*

<b><u>INVESTMENT AGREEMENT, OR REPURCHASE/ FORWARD PURCHASE AGREEMENT (if applicable)</u></b>	<b><u>\$500.00</u></b>
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This fee includes the review and acceptance of any investment agreement, or repurchase agreement. Counsel Fees (if any) associated with the review and acceptance of the above will be billed at cost. The annual fee associated with administration of a Repurchase/Forward Purchase Agreement will be \$500.00.

Trustee Legal Counsel:

Sam Waldman, Esq.  
Davis, Wright Tremaine  
64 Oak Knoll Drive  
San Anselmo, CA 94960

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